



Avista disappointed by Washington Commission's decision in Power Cost Rate Adjustment filing

08/11/17

SPOKANE, Wash., Aug. 11, 2017 (GLOBE NEWSWIRE) -- Avista's (NYSE:AVA) Power Cost Rate Adjustment (PCRA) filing was dismissed yesterday by the Washington Utilities and Transportation Commission (Commission or UTC). The PCRA filed by Avista on May 26, 2017 proposed an annual electric revenue increase of \$15 million or 2.9 percent, effective Sept. 1, 2017. This filing was separate from the electric and natural gas general rate cases also filed on May 26, 2017.

This filing was made following meetings with Commissioners, Commission Staff and other parties involved in ratemaking proceedings, and was designed to be a starting point to get cost recovery back on track for Avista's Washington electric operations. The UTC's order in December 2016 provided no revenue increase for 2017, which has resulted in the electric rate increase request of 12.5 percent in Avista's pending general rate case in Washington to be higher than it otherwise would have been. The proposed PCRA increase was designed to make incremental progress with a 2.9 percent increase to customers Sept. 1, 2017, and a second-step increase effective at the conclusion of the general rate case on or around April 26, 2018.

"We are very disappointed in the Commission's decision," said Scott Morris, Avista's Chairman, President and CEO. "The increased costs included in the PCRA were known changes in power costs, which have generally been less controversial in prior regulatory proceedings. The PCRA was an opportunity to begin to get retail rates back on track for customers, as well as provide some incremental improvement in earnings for the Company."

Avista's power supply costs, on a normalized basis, are much higher than those built into base retail rates, and a revenue increase is needed to recover these increased costs on a going-forward basis. These increased costs are included in Avista's pending general rate case in Washington, which is scheduled to be concluded by April 26, 2018.

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 378,000 customers and natural gas to 342,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2016 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2017.

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